

BOARD BILL # 163 INTRODUCED BY ALDERWOMAN PHYLLIS YOUNG

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE LAUREL / 555 WASHINGTON REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE LAUREL / 555 WASHINGTON SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, the City of St. Louis, Missouri (the “City”), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”); and

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000), as amended (the “TIF Act”), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

June 27, 2008

Page 1 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 **WHEREAS**, staff and consultants of the City and Laurel TIF, Inc., a Missouri
2 corporation (the “Developer”), prepared a plan for redevelopment titled “The Laurel / 555
3 Washington TIF Redevelopment Plan” dated March 28, 2008 (the “Redevelopment
4 Plan”), for an area consisting of a portion of City Blocks 120 and 125 which parcel is
5 commonly known as 505 Washington, 555 Washington and 601 Washington (the
6 “Redevelopment Area” or “Area”), which Redevelopment Area is more fully described in
7 the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

8 **WHEREAS**, the Redevelopment Plan proposes to redevelop the Redevelopment
9 Area by rehabilitation and redevelopment of the building in the Redevelopment Area into
10 residential and commercial space, as set forth in the Redevelopment Plan (the
11 “Redevelopment Project,” or “TIF Project”); and

12 **WHEREAS**, on May 16, 2008, after all proper notice was given, the TIF
13 Commission held a public hearing in conformance with the TIF Act and received
14 comments from all interested persons and taxing districts relative to the Redevelopment
15 Area, the Redevelopment Plan, and the Redevelopment Project; and

16 **WHEREAS**, on May 16, 2008, the TIF Commission found that completion of the
17 Redevelopment Project would provide a substantial and significant public benefit through
18 the elimination of blighting conditions, the creation of new jobs in the City, increased
19 property values and tax revenues, preservation of historic structures, stabilization of the
20 Redevelopment Area, facilitation of the economic stability of the City as a whole, and
21 further found that without the assistance of tax increment financing in accordance with
22 the TIF Act, the Redevelopment Project is not financially feasible and would not
23 otherwise be completed; and

June 27, 2008

Page 2 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 **WHEREAS**, on May 16, 2008, the TIF Commission voted to recommend that the
2 Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax
3 increment financing within the Redevelopment Area, (ii) approving the Redevelopment
4 Plan, (iii) approving and designating the Redevelopment Area as a “redevelopment area”
5 as provided in the Act, (iv) approving the Redevelopment Project as described within the
6 Redevelopment Plan, and (v) approving the issuance of one or more tax increment
7 financing revenue notes in the amount as specified in the Redevelopment Plan; and

8 **WHEREAS**, the Developer has demonstrated that the Redevelopment Project
9 would not reasonably be anticipated to be developed without the adoption of tax
10 increment financing and, therefore, redevelopment of the Redevelopment Area in
11 accordance with the Redevelopment Plan is not feasible and would not otherwise be
12 completed; and

13 **WHEREAS**, the Board of Aldermen has received the recommendations of the
14 TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and
15 finds that it is desirable and in the best interests of the City to designate the
16 Redevelopment Area as a “redevelopment area” as provided in the TIF Act, adopt the
17 Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the
18 redevelopment of the Redevelopment Area; and

19 **WHEREAS**, the Redevelopment Area qualifies for the use of tax increment
20 financing to alleviate the conditions that qualify it as a “blighted area” as provided in the
21 TIF Act and as set forth herein; and

22 **WHEREAS**, the property constituting the Redevelopment Area is underutilized
23 and predominantly vacant, thus discouraging investment and encouraging crime and

June 27, 2008

Page 3 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 vagrancy, and the Redevelopment Area represents a social and economic liability to the
2 City, and

3 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
4 approve the Redevelopment Project to allow the rehabilitation of the building in the
5 Redevelopment Area into residential and commercial space; and

6 **WHEREAS**, it is necessary and desirable and in the best interest of the City to
7 adopt tax increment allocation financing within the Redevelopment Area and to establish
8 a special allocation fund for the Redevelopment Area in order to provide for the
9 promotion of the general welfare through redevelopment of the Redevelopment Area in
10 accordance with the Redevelopment Plan which redevelopment includes, but is not
11 limited to, assistance in the physical, economic, and social development of the City of St.
12 Louis, providing for a stabilized population and plan for the optimal growth of the City of
13 St. Louis, encouragement of a sense of community identity, safety and civic pride, and
14 the elimination of impediments to land disposition and development in the City of St.
15 Louis.

16 **BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:**

17 **SECTION ONE.** The Board of Aldermen hereby makes the following
18 findings:

19 A. The Redevelopment Area on the whole is a “blighted area”, as defined in
20 Section 99.805 of the TIF Act, and has not been subject to growth and development
21 through investment by private enterprise and would not reasonably be anticipated to be
22 developed without the adoption of tax increment financing. This finding includes, the
23 Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by

June 27, 2008

Page 4 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 reference: (i) a detailed description of the factors that qualify the Redevelopment Area as
2 a “blighted area” and (ii) an affidavit, signed by the Developer and submitted with the
3 Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act
4 have been met, which description and affidavit are incorporated herein as if set forth
5 herein.

6 B. The Redevelopment Plan conforms to the comprehensive plan for the
7 development of the City as a whole.

8 C. In accordance with the TIF Act, the Redevelopment Plan states the
9 estimated dates of completion of the Redevelopment Project and retirement of the
10 financial obligations issued to pay for certain redevelopment project costs and these dates
11 are twenty three (23) years or less from the date of approval of the Redevelopment
12 Project.

13 D. A plan has been developed for relocation assistance for businesses and
14 residences as set forth in Ordinance No. 62481 adopted December 20, 1991.

15 E. A cost-benefit analysis showing the economic impact of the
16 Redevelopment Plan on each taxing district which is at least partially within the
17 boundaries of the Redevelopment Area is on file with the St. Louis Development
18 Corporation, which cost-benefit analysis shows the impact on the economy if the
19 Redevelopment Project is not built, and if the Redevelopment Project is built pursuant to
20 the Redevelopment Plan.

21 F. Redevelopment of the Redevelopment Area in accordance with the
22 Redevelopment Plan is not financially feasible without the assistance of tax increment
23 financing and would not otherwise be completed.

June 27, 2008

Page 5 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 G. The Redevelopment Plan does not include the initial development or
2 redevelopment of any “gambling establishment” as that term is defined in Section
3 99.805(6) of the TIF Act.

4 H. The Redevelopment Area includes only those parcels of real property and
5 improvements thereon directly and substantially benefited by the proposed
6 Redevelopment Project.

7 **SECTION TWO.** The Redevelopment Area described in the Redevelopment
8 Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of
9 the TIF Act.

10 **SECTION THREE.** The Redevelopment Plan as reviewed and recommended
11 by the TIF Commission on May 16, 2008, including amendments thereto, if any, and the
12 Redevelopment Project described in the Redevelopment Plan are hereby adopted and
13 approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and
14 incorporated herein by reference.

15 **SECTION FOUR.** There is hereby created and ordered to be established within
16 the treasury of the City a separate fund to be known as “The Laurel / 555 Washington
17 Special Allocation Fund.” To the extent permitted by law and except as otherwise
18 provided in the Redevelopment Plan, the City hereby pledges funds in The Laurel / 555
19 Washington Special Allocation Fund for the payment of redevelopment project costs and
20 obligations incurred in the payment thereof.

21 **SECTION FIVE.** Tax increment allocation financing is hereby adopted within
22 the Redevelopment Area. After the total equalized assessed valuation of the taxable real
23 property in the Redevelopment Area exceeds the certified total initial equalized assessed

1 valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes,
2 and payments in lieu of taxes, if any, arising from the levies upon taxable real property in
3 the Redevelopment Area by taxing districts and tax rates determined in the manner
4 provided in Section 99.855.2 of the TIF Act each year after the effective date of this
5 Ordinance until redevelopment costs have been paid shall be divided as follows:

6 A. That portion of taxes, penalties and interest levied upon each taxable lot,
7 block, tract, or parcel of real property which is attributable to the initial equalized
8 assessed value of each such taxable lot, block, tract, or parcel of real property in the area
9 selected for the Redevelopment Project shall be allocated to and, when collected, shall be
10 paid by the City Collector to the respective affected taxing districts in the manner
11 required by law in the absence of the adoption of tax increment allocation financing;

12 B. Payments in lieu of taxes attributable to the increase in the current
13 equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in
14 the area selected for the Redevelopment Project and any applicable penalty and interest
15 over and above the initial equalized assessed value of each such unit of property in the
16 area selected for the Redevelopment Project shall be allocated to and, when collected,
17 shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into
18 The Laurel / 555 Washington Special Allocation Fund for the purpose of paying
19 redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of
20 taxes which are due and owing shall constitute a lien against the real estate of the
21 Redevelopment Project from which they are derived and shall be collected in the same
22 manner as the real property tax, including the assessment of penalties and interest where
23 applicable.

June 27, 2008

Page 7 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 **SECTION SIX.** In addition to the payments in lieu of taxes described in Section
2 Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes,
3 penalties and interest which are imposed by the City or other taxing districts, and which
4 are generated by economic activities within the area of the Redevelopment Project over
5 the amount of such taxes generated by economic activities within the area of the
6 Redevelopment Project in the calendar year prior to the adoption of the Redevelopment
7 Project by ordinance, while tax increment financing remains in effect, but excluding
8 personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
9 transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the
10 Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public
11 transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as
12 amended, licenses, fees or special assessments other than payments in lieu of taxes and
13 penalties and interest thereon, shall be allocated to, and paid by the collecting officer to
14 the City Treasurer or other designated financial officer of the City, who shall deposit such
15 funds in a separate segregated account within The Laurel / 555 Washington Special
16 Allocation Fund.

17 **SECTION SEVEN.** The Comptroller of the City is hereby authorized to enter
18 into agreements or contracts with other taxing districts as is necessary to ensure the
19 allocation and collection of the taxes and payments in lieu of taxes described in Sections
20 Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of
21 taxes into The Laurel / 555 Washington Special Allocation Fund for the payment of
22 redevelopment project costs and obligations incurred in the payment thereof, all in
23 accordance with the TIF Act.

June 27, 2008

Page 8 of 11

Board Bill # 163 Sponsor: Alderwoman Young

1 **SECTION EIGHT.** The City Register is hereby directed to submit a certified
2 copy of this Ordinance to the City Assessor, who is directed to determine the total
3 equalized assessed value of all taxable real property within the Redevelopment Area as of
4 the date of this Ordinance, by adding together the most recently ascertained equalized
5 assessed value of each taxable lot, block, tract or parcel of real property within the
6 Redevelopment Area, and shall certify such amount as the total initial equalized assessed
7 value of the taxable real property within the Redevelopment Area.

8 **SECTION NINE.** The Mayor and Comptroller of the City or their designated
9 representatives are hereby authorized and directed to take any and all actions as may be
10 necessary and appropriate in order to carry out the matters herein authorized, with no
11 such further action of the Board of Aldermen necessary to authorize such action by the
12 Mayor and the Comptroller or their designated representatives.

13 **SECTION TEN.** The Mayor and the Comptroller or their designated
14 representatives, with the advice and concurrence of the City Counselor and after approval
15 by the Board of Estimate and Apportionment, are hereby further authorized and directed
16 to make any changes to the documents, agreements and instruments approved and
17 authorized by this Ordinance as may be consistent with the intent of this Ordinance and
18 necessary and appropriate in order to carry out the matters herein authorized, with no
19 such further action of the Board of Aldermen necessary to authorize such changes by the
20 Mayor and the Comptroller or their designated representatives.

21 **SECTION ELEVEN.** It is hereby declared to be the intention of the Board of
22 Aldermen that each and every part, section and subsection of this Ordinance shall be
23 separate and severable from each and every other part, section and subsection hereof and

1 that the Board of Aldermen intends to adopt each said part, section and subsection
2 separately and independently of any other part, section and subsection. In the event that
3 any part, section or subsection of this Ordinance shall be determined to be or to have
4 been unlawful or unconstitutional, the remaining parts, sections and subsections shall be
5 and remain in full force and effect, unless the court making such finding shall determine
6 that the valid portions standing alone are incomplete and are incapable of being executed
7 in accord with the legislative intent.

8 **SECTION TWELVE.** After adoption of this Ordinance by the Board of
9 Aldermen, this Ordinance shall become effective on the 30th day after its approval by the
10 Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the
11 effective date of an ordinance authorizing the City to enter into a redevelopment
12 agreement pertaining to the Redevelopment Project, the Developer or its affiliate or
13 designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to
14 the City in accordance with the terms of the redevelopment agreement, the provisions of
15 this Ordinance shall be deemed null and void and of no effect and all rights conferred by
16 this Ordinance on Developer, shall terminate, *provided further*, however, that prior to any
17 such termination the Developer may seek an extension of time in which to execute the
18 Redevelopment Agreement, which extension may be granted in the sole discretion of the
19 Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

THE Laurel / 555 WASHINGTON TIF REDEVELOPMENT PLAN